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FEATURE

Ford Starts Firm to Manage Its Web Sites

Will serve as prime link to auto dealers



By Computerworld staff

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In a deal dubbed a double-edged sword by one analyst, Ford Motor Co. last week launched a joint venture with Trilogy Software Inc. to create a separate firm to handle the automaker's Web-related business-to-business services.

The new venture will act as Ford's Web services company, operating all of the automaker's consumer Web sites and serving as the primary Web interface to more than 6,000 Ford dealers. The venture will use e-commerce software from Trilogy in Austin, Texas.

Officials said the still-unnamed company, to be located in Austin, should be operational within the next 30 days and have up to 300 employees by year's end. Dearborn, Mich.-based Ford has a majority stake in the venture.

Rob DeSisto, an analyst at Gartner Group Inc. in Stamford, Conn., said the venture could free Ford from maintaining Web services, a noncore business. Yet he questioned whether Trilogy could provide the best software to support the venture.

"This deal has to be put into perspective," he said. "Trilogy will provide most of the technology for them to be successful, but what Ford is really getting with Trilogy is some technology that has significant gaps in functionality relative to other competitors."

Configuration Competition

DeSisto said that Trilogy has failed to keep pace with competitors Selectica Inc. in San Jose and FirePond Inc. in Waltham, Mass., in terms of its configuration technology.

"(These companies) are focused on different parts of the market with simpler configuration problems. Trilogy continues to dominate the high end of the configuration market for large Fortune 500 companies," said Chris Porch, Trilogy co-founder and CEO of the new venture. "There is no e-

commerce platform that does everything that a Fortune 500 company would need, but that is true for every vendor out there."

The venture will offer a range of services, including car configuration and buying, repairs, maintenance and possibly rental services. It will also pass sales leads to dealers.

"The big problem in the auto industry is disintermediation and channel conflict," said analyst Eric Schmitt at Forrester Research Inc. in Cambridge, Mass. "This nicely sidesteps that problem and places Ford in the role of a central organization that provides the technology to bring in dealers at the end of the line."

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